

# City of Detroit

## CITY COUNCIL

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TO: Ronald Ruffin, Director  
Municipal Parking Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 4, 2007

RE: 2007-2008 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Council Members  
Council Divisions  
Auditor General's Office  
Roger Short, Finance Department Director  
Pamela Scales, Budget Director  
Ron Chenault, Budget Department Team Leader  
Kandia Milton, Mayor's Office

## **Municipal Parking (34)**

### **FY 2007-2008 Budget Analysis by the Fiscal Division**

#### **Summary**

The Municipal Parking Department (MPD) is comprised of two divisions - the Automobile Parking Division (APS) and the Parking Violations Bureau (PVB). The APS is an Enterprise Agency that is responsible for planning, supervising, operating, and maintaining the City's Auto Parking and Arena System. The PVB is a General Fund Agency that is responsible for enforcing the City's on-street ordinances and processing all violation notices for payment to the General Fund.

The Mayor's 2007-2008 Proposed Budget includes appropriations of \$40.5 million for the MPD, a \$2.2 million or 5.2 % decrease from fiscal year 2006-2007. The proposed budget also includes revenue of \$45.3 million, which is a \$2.4 million or 5.0 % decrease from fiscal year 2006-2007. The projected net tax cost is (\$4.9) million, a \$169,500 increase from the current fiscal year.

#### **Goals, Objectives, and Major Initiatives**

The overall mission and goals of the MPD have not changed from fiscal year 2006-2007 to fiscal year 2007-2008.

The major initiatives for the APS division in fiscal year 2007-2008 include:

- Biker Locker Program
- Lease Retail Space at Millennium Center
- Garage Advertisements

The major initiatives for the PVB division in fiscal year 2007-2008 include:

- Reduce costs associated with parking ticket processing and collections
- Increase the collections rate on delinquent tickets through expanding notifying practices.
- Increase collections through the Court.

#### **2006-2007 Surplus/(Deficit)**

The estimated surplus in the MPD for fiscal year 2006-2007 is \$0.6 million due to vacancies.

#### **Overtime**

The Mayor's 2007-2008 Proposed Budget includes \$66,200 or overtime in the MPD. For fiscal year 2006-2007, budgeted overtime is \$95,800. As of March 31, 2007, the MPD has expended \$43,400 or 45.3% of the fiscal year 2006-2007 budgeted overtime.

## Municipal Parking (34)

### FY 2007-2008 Budget Analysis by the Fiscal Division

#### Employee Turnover Savings

The Mayor's 2007-2008 Proposed Budget does not include any employee turnover savings from the Municipal Parking Department.

#### Proposed Layoffs and Vacant Position Reductions

The 2007-2008 proposed budget recommends a decrease of one Office Assistant II position in the Enforcement Unit of the MPD. No Layoffs are proposed for this department.

<u>Appropriation/Program</u>	Budgeted	Filled	Mayor's	Over/(Under)	Mayor's
	Positions	Positions	Budget	Actual to	Recommended
	<u>FY 2006-07</u>	<u>3/31/2007</u>	<u>FY 2007-08</u>	<u>06/07 Budget</u>	<u>Turnover</u>
<b>Municipal Parking (34):</b>					
340080 Violation Bureau Gen. Ofc. & Audits	5	5	5	0	\$ -
340090 Enforcement Unit	60	60	59	0	\$ -
<b>00102 Parking Violations Bureau</b>	<b>65</b>	<b>65</b>	<b>64</b>	<b>0</b>	<b>\$ -</b>
340010 Administration	21	21	21	0	\$ -
340020 Maintenance	14	14	14	0	\$ -
340040 Meter Maintenance	6	6	6	0	\$ -
340050 Meter Collection	11	10	11	(1)	\$ -
<b>04108 Operation &amp; Maintenance</b>	<b>52</b>	<b>51</b>	<b>52</b>	<b>(1)</b>	<b>\$ -</b>
34XXXX Worker's Compensation	0	(2)	0	(2)	\$ -
34XXXX Leave of Absence	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>(1)</u>	<u>\$ -</u>
<b>TOTAL</b>	<b><u>117</u></b>	<b><u>113</u></b>	<b><u>116</u></b>	<b><u>(4)</u></b>	<b><u>\$ -</u></b>

#### Significant Changes in Funding by Appropriation

##### Appro      Program

04108	Operation and Maintenance	<p>The appropriation for Operation and Maintenance decreased by \$1.0 million. The decrease is due primarily to the following: a \$750,000 decrease in Contract Services Other Miscellaneous; a \$500,000 decrease in Transfer to Operating Fund; a \$220,000 decrease in Utilities-PLD Electricity and a \$140,000 decrease in Insurance Premium; offset by a \$370,000 increase in Vehicle Acquisitions; a \$120,000 increase in Administrative Costs; and a \$80,000 increase in Full-Time Salaries.</p>
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04111	Parking Systems Programs	The appropriation for the Parking Systems Program decreased by \$300,000 due to the projected decrease in Contingencies.
06423	Repayment of Revenue Bond-Trustee	The appropriation for Repayment of Revenue Bond decreased by \$250,000 due to the reduction in the Interest on Bonded Debt.
06244	Trustee and Contingency Reserve	The appropriation for Trustee and Contingency Reserve decreased by \$1.0 million, due to the projected decrease in Contingencies.
00102	Parking Violations Bureau	The appropriation for Parking Violations Bureau increased by \$300,000 due primarily to a \$200,000 increase in Contract Services; a \$200,000 increase in Full Time Salaries; offset by \$100,000 decrease in Administrative Costs.

### **Municipal Parking (34)**

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Recommended</u>	<u>Increase (Decrease)</u>
Automobile Parking Division	\$ 6,288,741	\$ 5,533,580	\$ (755,161)
Parking Violations Bureau	<u>3,875,000</u>	<u>4,073,300</u>	<u>198,300</u>
<b>Total</b>	<b>\$ 10,163,741</b>	<b>\$ 9,606,880</b>	<b>\$ (556,861)</b>

### Significant Revenue Changes by Appropriation

#### Appro   Program

04108	Operation and Maintenance	Operation and Maintenance decreased by \$500,000 due to Transfers from Other Funds.
05976	Auto Parking Operations	Auto Parking Operations decrease by \$2.0 million due to a net decrease of \$1.6 million in Parking Facilities Revenue and a \$900,000 decrease in Ticket Service at Joe Louis; offset by a \$400,000 increase in Other Concessions and a \$80,000 increase in Earnings on Investment.
00102	Parking Violations Bureau	Parking Violations Bureau increased by \$102,000 due primarily to an increase in Parking Fines.

## **Municipal Parking (34)**

### **FY 2007-2008 Budget Analysis by the Fiscal Division**

#### **Issues and Questions**

1. How much additional revenue is projected in fiscal year 2007-2008 from leasing retail space at Millennium Center?
2. What is the projected revenue from collections on delinquent tickets in fiscal year 2007-2008?
3. How will the Parking Violations Bureau reduce the costs associated with parking ticket processing and collections?
4. How will the Parking Violations Bureau increase collections through the Courts?
5. Please explain the \$2 million decrease in Auto Parking Operations when 2005-06 actual shows only a \$1 million decrease (page 34-12).
6. Does the department have any more bonding capacity to build any more parking facilities?
7. Has the demand for parking increased, especially in the downtown area, given the current level of residential development?
8. Can the market bear any increase in parking rates?

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